

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-063-00035R

Parcel No. 012+12291-010-00

Dennis Fogle,
Appellant,

vs.

Marion County Board of Review,
Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on April 24, 2020. Dennis Fogle was self-represented. The Marion County Board of Review declined to participate in the hearing.

Dennis R. Fogle Revocable Trust owns a residential property located at 1904 Highway G28, Pella, Iowa. Its January 1, 2019, assessment was set at \$1,012,200, allocated as \$55,000 in land value and \$957,200 in dwelling value. (Ex. B).

Fogle petitioned the Board of Review asserting his property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(2) (2019). (Ex. C). The Board of Review upheld the petition and reduced the assessment to \$962,520. (Ex. B).

Fogle then appealed to PAAB reasserting his claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act

apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005).

Findings of Fact

The subject property is a one and-a-half-story brick home built in 1994. It has 3808 square feet of gross living area; a walk-out basement with 1804 square feet of living quarters quality finish; multiple decks; an open porch; and a two-car attached garage which also includes two basement garage stalls. In 2008 a 32 foot x 50 foot detached garage was added. The improvements are listed in normal condition with an E-5 Grade (executive quality). The site is 11.220 acres. The dwelling receives 20% functional obsolescence applied to the assessment due to its size. (Ex. A).

Fogle submitted an appraisal completed by Randal L. Steenhoek of Steenhoek Appraisal, Inc. Pella, Iowa to PAAB. (Ex. 1). Steenhoek appraised the property for refinancing as of March 2018. He developed both the sales comparison and cost approaches to value, but relied exclusively on the sales comparison approach to determine an opinion of value of \$790,000. Fogle asserts the appraisal is the correct market value of his home.

Steenhoek's report noted there was limited sales data of dwellings with similar gross living area and site size so he expanded the market area for comparables to include three 2017 sales in Adel, Cumming, and Waukeet, which are 45 to 54 miles west of Pella. He also included two sales from Pella that occurred in June 2016 and June 2011 for additional support and to show there had been sales over \$700,000 in that market. (Ex. 1, p. 5). He adjusted each sale for differences between them and the

subject property and gave the most weight to those sales with the least adjustments. We note that all of the sales appear to be inferior to the subject property and required net adjustment from 5.69% to 38.55%; the gross adjustments were much higher.

Steenhoek also completed the cost approach arriving at a conclusion of value for the subject property of \$818,555. He concluded, however, that the cost approach was not relevant due to the age of the property, and rather the sales comparison approach is typically the most influential in the market.

Steenhoek reconciled to the lower end of the adjusted sale prices. We do not know whether there has been any updating or other changes to the subject property since the Steenhoek appraisal. The Board of Review offered no criticism of Steenhoek's appraisal nor did it provide any evidence to support or uphold the assessment. It submitted only the three exhibits required by PAAB: the property record card, the Petition to the Local Board of Review, and the Notice of Decision. (Exs. A-C). According to the notes on the property record card, Fogle had also provided the appraisal to the Board of Review. The Board changed the dwelling's grade from E to E-5 thereby reducing the assessment to \$962,520. (Ex. A, p. 6).

Analysis & Conclusions of Law

Fogle contends the subject property is over assessed as provided under Iowa Code section 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). Sale prices of property in abnormal transactions not reflecting market value shall not be taken into account or shall be adjusted to account for market distortion. *Id.*

In protest or appeal proceedings when the complainant offers competent evidence that the market value of the property is less than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation. Iowa Code §441.21(3)(b)(2) (2019). To be competent evidence, it must “comply with the statutory scheme for property valuation for tax assessment purposes.” *Soifer*, 759 N.W.2d at 782 (citations omitted). Fogle submitted the Steenhoek appraisal, which values the subject property at \$790,000 as of March 26, 2018. Steenhoek relied on the sales comparison approach to value, which is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W. 2d 594, 597 (Iowa 1990). We find this appraisal sufficient to shift the burden of proof to the Board of Review.

The Board of Review made no attempt to uphold its burden.

Viewing the record as a whole, we conclude the subject property is assessed for more than authorized by law.

Order

PAAB HEREBY MODIFIES the Marion County Board of Review’s action. Based on the foregoing, we order the subject property’s January 1, 2019 assessed value be set at \$790,000.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Elizabeth Goodman, Board Member



Karen Oberman, Board Member



Dennis Loll, Board Member

Copies to:

Dennis R. Fogle by eFile

Marion County Board of Review by eFile

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